

The Performance Excellence

"The Journey is the Destination"



By
 Dipl.-Ing. Bawdin Wijarn
 - Technical Competency Manager
 Advanced Info Service PLC.
 - Licensee Effective Persona Productivity
 Leadership Management International
 email: bawdinw@ais900.com
 ais8@csc.com
 Tel. 01-8153336



Leadership and Management

*"Management is fine as far as it goes;
 but leadership is the way to win."*

Jack Welch

Management(Vital)	Leadership(Vital)
Doing things right	Doing the right things
Urgency	Importance
Speed	Direction
Bottom line	Top line
Efficiency	Effectiveness
Methods	Purpose
Practices	Principles
In the system	On the system

1999 Franklin Covey, The 4 Role of Leadership

Agenda

1. Continuous Change...
2. Where are we now ?
3. Where we want to be...?
4. How can we get there?

1. Continuous Change



" It's not the strongest species that survive, or the most intelligent, but the *most responsive to change.* "

- Charles Darwin

Change...

Cause... Speed of Change

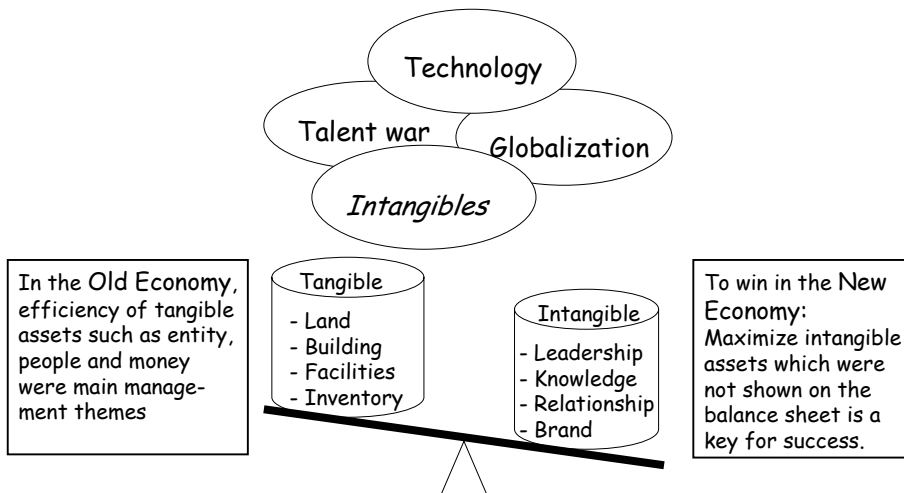
- > New Economy
- > Technology Changes
- > Competition
- > Customer Requirement
- > Other...

Effect... Readiness for Change?

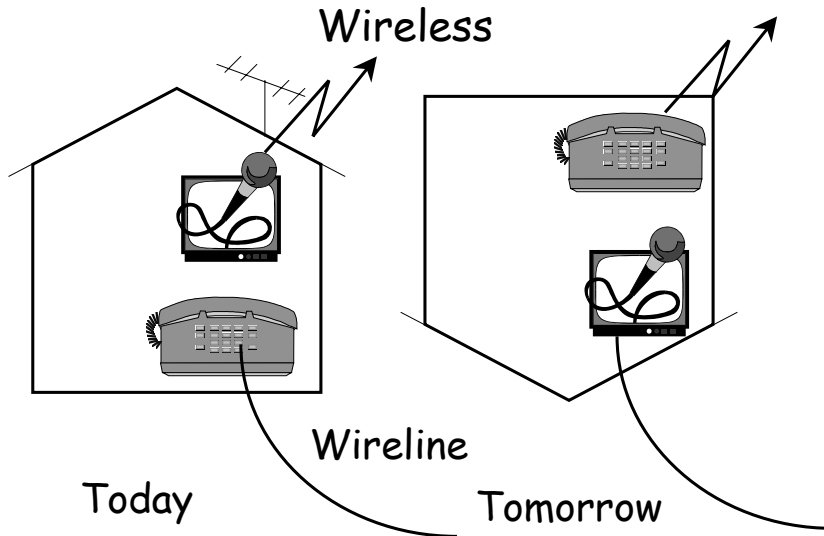
- > Organizational Change
- > New Paradigm
- > Other...

Change...

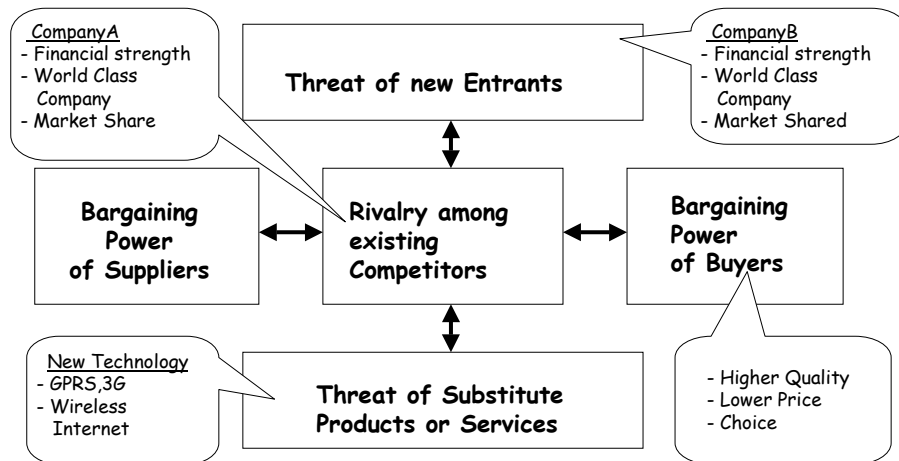
Are you ready for the New Economy?...



Technology Change



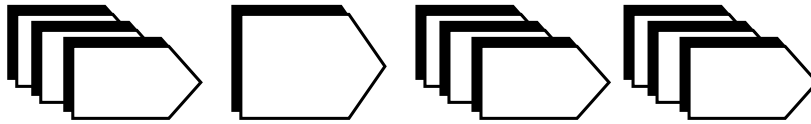
Change...



"The five competitive forces that determine Industry Competition"

Change...

Sources of Competitive Advantage, The Value Chain



Supplier
Value Chains

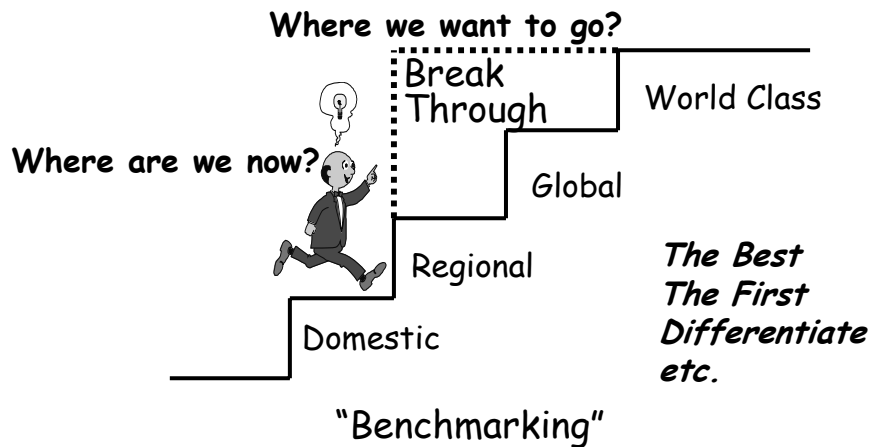
"Company
Value Chains"

Channel
Value Chains

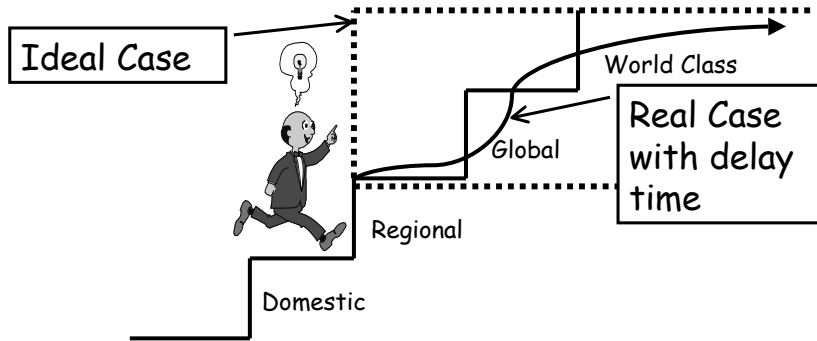
Customer
Value Chains

Cost > Quality > Time > Satisfaction

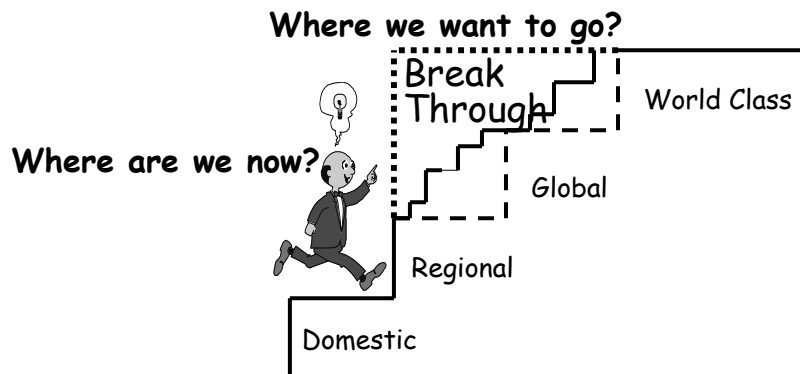
3. Where we want to be ?



Jump Start/Break Through Performance Improvement



Step by Step of Goal Setting



What is the key differences between Quality Management and Performance Excellence (TQA)

Yesterday/Today: Management of Quality System
-> Improve Productivity
- Time, cost, quality, quantity, satisfaction

Today/Tomorrow: Quality of Management System
-> Improve Management System
- Value to *Patients and other customer*,
contribution to *Health Care Quality*.

The Performance Excellence

What is Performance?

The term "performance" refers to *output results obtained from processes, products, and services* that permit *evaluation and comparison* relative to *goals, standards, past results, and other organization*.

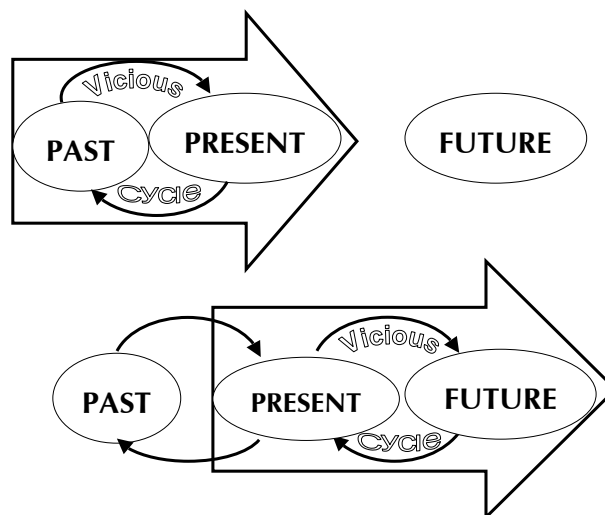
Performance might be expressed in nonfinancial and financial terms.

The Performance Excellence (Health Care)

" Refers to an integrated approach to organizational performance management that results in: "

1. Delivery of *ever-improving value* to *Patients and other customer*, contribution to *Health Care Quality*.
2. Improvement of overall *organizational effectiveness* and *capabilities as a Health Care Provider*.
3. *Organizational and Personal Learning*

" PAST SUCCESS CAN'T GUARANTEE FUTURE SUCCESS "

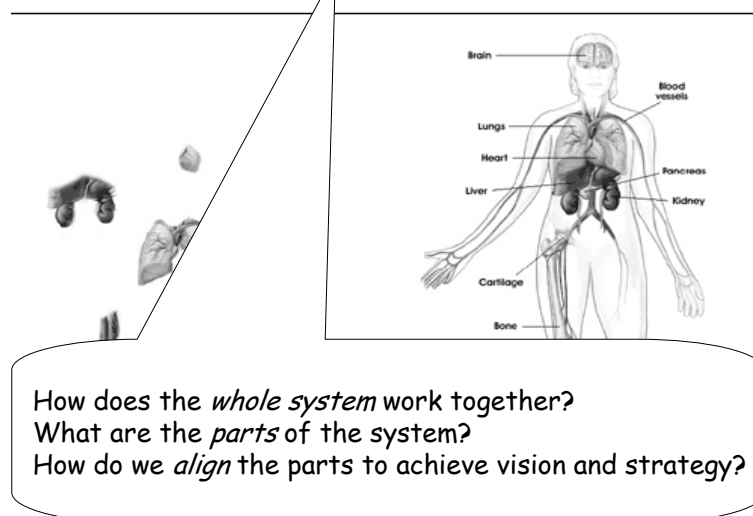


3. Where we want to be?...

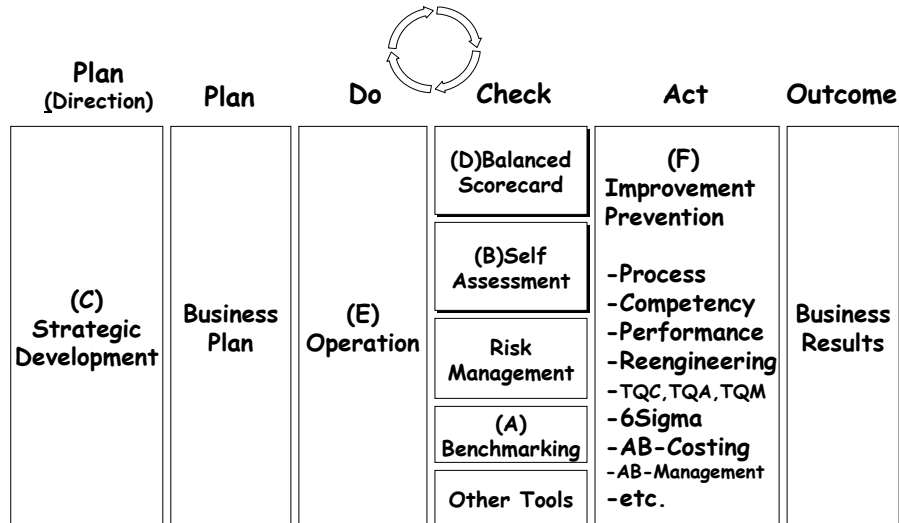
The Holistic View of Performance Excellence...

1. Performance Management Model
2. Benchmarking
3. The Performance Excellence Models
4. TQA Criteria for Performance Excellence
5. Strategic Management
6. Balanced Scorecard and Performance Management

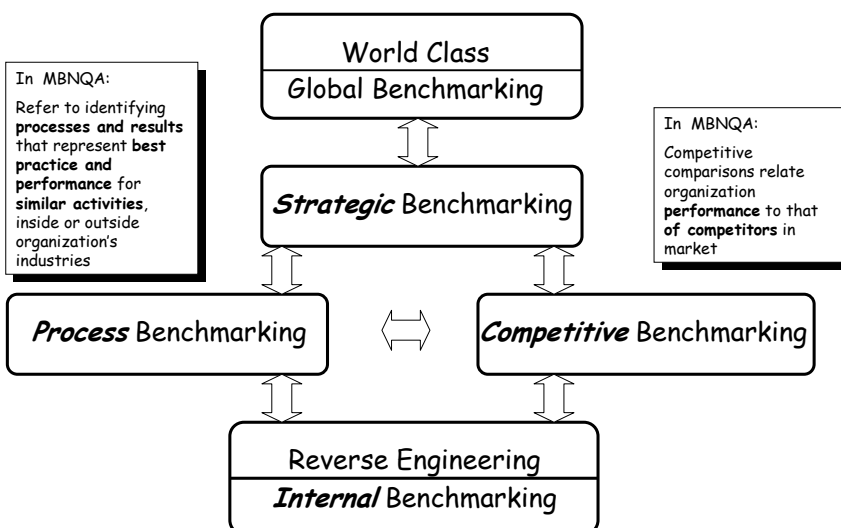
The Holistic Approach



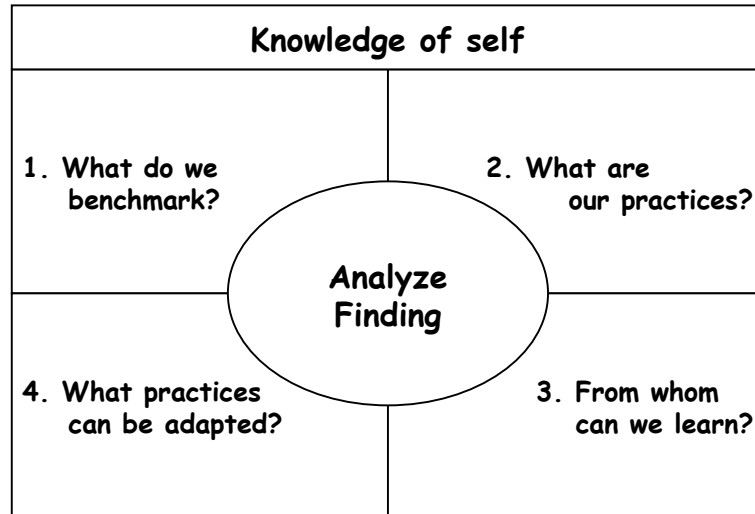
3.1 Performance Management Model



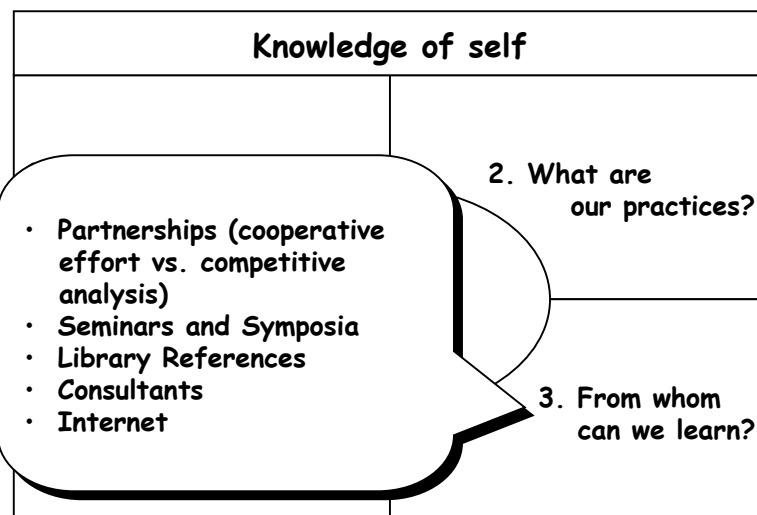
3.2 Benchmarking(A)



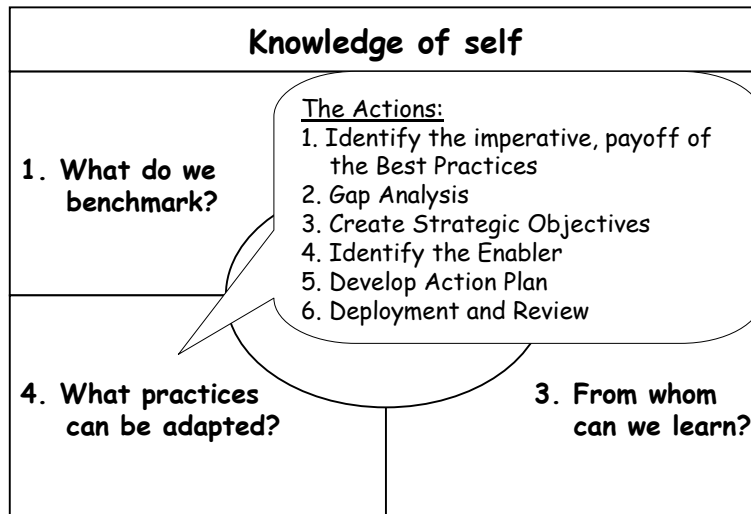
(Balanced) Benchmarking Model^(A)



(Balanced) Benchmarking Model^(A)



(Balanced) Benchmarking Model^(A)



3.3 The Performance Excellence Models

- > **The Malcolm Baldrige National Quality Award**
 - > Responsible by U.S. Department of Commerce
 - > Manage by national Institute of Standards and technology
 - > Since 1988

- > **The European Foundation for Quality Management (EFQM)**
 - > Founded by fourteen leading European businesses
 - > Since 1988

- > **The Singapore Quality Award for Business Excellence**
 - > The SQA is administered by the Singapore Productivity and Standard Board (PSB)
 - > Since 1994

The Benefit of the Criteria...

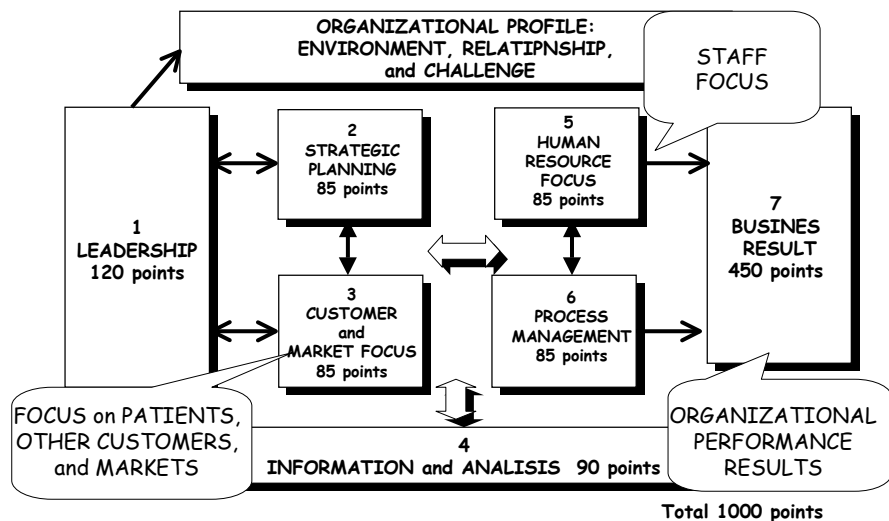
A Consistent set of Performance Excellence Standards

Developing a common language
 Benchmarking, Learning from Best Practices

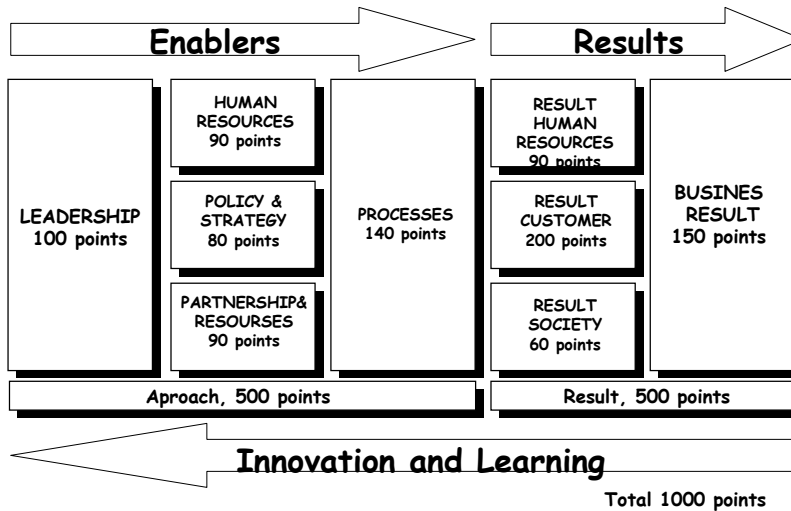
Consistent Organizational Assessments

Confirming capabilities (strengths)
 Identifying gaps (areas for improvement)

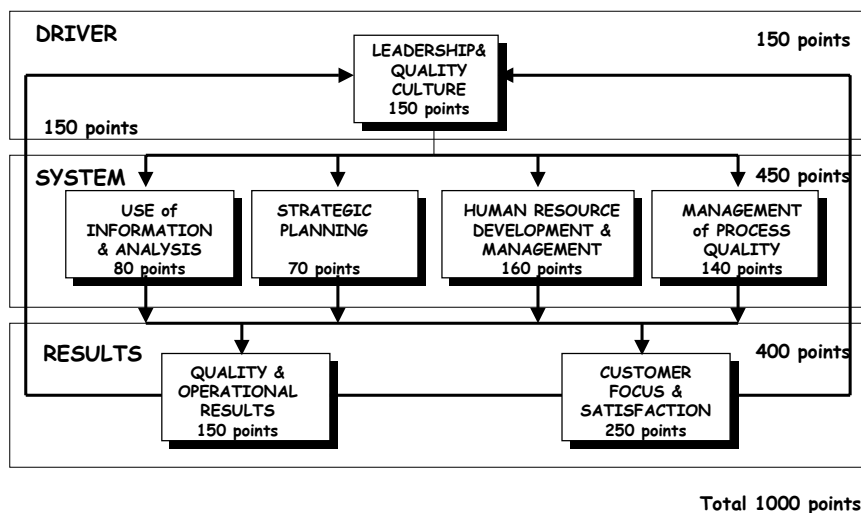
1) Baldrige Criteria for Performance Excellence



2) The EFQM Excellence Model



3) The SQA for Business Excellence



Malcolm Baldrige National Quality Award

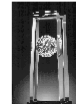
2001 Baldrige Award Recipients

The 2001 Baldrige Award recipients were announced December 4, 2001.

- Clarke American Checks, Inc., San Antonio, Texas (manufacturing)
- Pal's Sudden Service, Kingsport, Tenn. (small business)
- Chugach School District, Anchorage, Alaska (education)
- Pearl River School District, Pearl River, N.Y. (education)
- University of Wisconsin-Stout, Menomonie, Wis. (education)

[Visit the NIST site for more information](#)

Congress established the Malcolm Baldrige National Quality Award in 1987 to raise awareness about quality management and to recognize U.S. companies that have successful quality management systems.



The award program focuses on quality as an integral part of

4.2 Criteria Value and Concept

The values and concepts, given below, are embedded beliefs and behaviors found in in high-performing organization. They are the foundation for integrating business requirements within a results-orientated framework that create a basic for action and feedback.

- | | |
|--|---|
| - Visionary Leadership | - Managing for Innovation |
| - <u>Customer-Driven Excellence</u> | - Management by Fact |
| - Patient-Focused Excellence | - Public Responsibility and |
| - Organizational and Personal | - <u>Citizenship</u> (Community Health) |
| - Learning | - Focus on Results and |
| - Valuing <u>Employees</u> (Staffs) and Partners | - Creating Value |
| - Agility | - System Perspective |
| - Focus on Future | |

2002 Criteria Category and Item Listing

P Preface: Organizational Profile

P.1 Organizational Description

P.2 Organizational Challenge

2001 Categories/Items	Point Values	MBQA	TQA
1 Leadership		120	120
1.1 Organizational Leadership		80	80
1.2 Public responsibility and Citizenship		40	40
2 Strategic Planning		85	80
2.1 Strategy Development		40	40
2.2 Strategy Deployment		45	40
3 Customer and Market Focus		85	110
3.1 Customer and Market Knowledge		40	50
3.2 Customer Relation and Satisfaction		45	60

2002 Criteria Category and Item Listing	MBQA	TQA
4 Information and Analysis	90	80
4.1 Measurement and Analysis of Org. Performance	50	40
4.2 Information Management	40	40
5 Human Resource Focus	85	100
5.1 Work System	35	40
5.2 Employee Education, Training and development	25	30
5.3 Employee Well-Being and Satisfaction	25	30
6 Process Management	85	110
6.1 Product and Service Processes	45	60
6.2 Business Processes	25	30
6.3 Support Processes	15	20
7 Business Results	450	400
7.1 Customer-Focused Results	125	140
7.2 Financial and Market Results	125	80
7.3 Human Resource Results	80	100
7.4 Organizational Effectiveness Results	120	80
Total Points	1000	1000

2002 Criteria Category and Item Listing (Education)

P	Preface: Organizational Profile	
	P.1 Organizational Description	
	P.2 Organizational Challenge	
2001 Categories/Items		Point Values
1	Leadership	120
	1.1 Organizational Leadership	80
	1.2 Public responsibility and Citizenship	40
2	Strategic Planning	85
	2.1 Strategy Development	40
	2.2 Strategy Deployment	45
3	<i>Student, Stakeholder and Market Focus</i>	85
	3.1 <i>Knowledge of Student, Stakeholder, and Market Needs and Expectations</i>	40
	3.2 <i>Student and Stakeholder Relationships and Satisfaction</i>	45

2002 Criteria Category and Item Listing..(Education)

4	Information and Analysis	90
	4.1 Measurement and Analysis of Org. Performance	50
	4.2 Information Management	40
5	<i>Faculty and Staff Focus</i>	85
	5.1 Work System	35
	5.2 <i>Faculty and Staff Education, Training and development</i>	25
	5.3 <i>Faculty and Staff Well-Being and Satisfaction</i>	25
6	Process Management	85
	6.1 <i>Education Design and Delivery Process</i>	45
	6.2 <i>Student Service</i>	25
	6.3 Support Processes	15
7	<i>Organizational Performance Results</i>	450
	7.1 <i>Student Learning Results</i>	200
	7.2 <i>Student and Stakeholder-Focused Results</i>	70
	7.3 <i>Budgetary, Financial, and Market Results</i>	40
	7.4 <i>Faculty and Staff Results</i>	70
	7.5 <i>Organizational Effectiveness Results</i>	70
Total Points		1000

4.3 Criteria Structure and Framework...

2002 Health Care Criteria Category and Item Listing
P Preface: Organizational Profile
P.1 Organizational Description
P.2 Organizational Challenge

2001 Categories/Items	Point Values	MBQA
1 Leadership		120
1.1 Organizational Leadership		75
1.2 Public responsibility and Citizenship		45
2 Strategic Planning		85
2.1 Strategy Development		40
2.2 Strategy Deployment		45
3 Focus on Patients, Other Customers, and Markets		85
3.1 Patient/Customer and Health Care Market Knowledge		40
3.2 Patient/Customer Relation and Satisfaction		45

2002 Health Care Criteria Category and Item Listing	MBQA
4 Information and Analysis	90
4.1 Measurement and Analysis of Org. Performance	50
4.2 Information Management	40
5 Staff Focus	85
5.1 Work System	35
5.2 Staff Education, Training and development	25
5.3 Staff Well-Being and Satisfaction	25
6 Process Management	85
6.1 Health Care Service Processes	45
6.2 Business Processes	25
6.3 Support Processes	15
7 Business Results	450
7.1 Patient- and Other Customer-Focused Results	125
7.2 Financial and Market Results	125
7.3 Staff and Work System Results	80
7.4 Organizational Effectiveness Results	120
Total Points	1000

Criteria Structure and Framework...

2003 Criteria Category and Item Listing

P	Preface: Organizational Profile
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P.1 Organizational Description

P.2 Organizational Challenge

2001 Categories/Items	Point Values	MBQA
1	Leadership	120
	1.1 Organizational Leadership	70
	1.2 Social Responsibility	50
2	Strategic Planning	85
	2.1 Strategy Development	40
	2.2 Strategy Deployment	45
3	Customer and Market Focus	85
	3.1 Customer and Market Knowledge	40
	3.2 Customer Relation and Satisfaction	45

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2003 Criteria Category and Item Listing

MBQA

4	Measurement, Analysis, and Knowledge Management	90
	4.1 Measurement and Analysis of Org. Performance	45
	4.2 Information and Knowledge Management	45
5	Human Resource Focus	85
	5.1 Work System	35
	5.2 Employee Learning and Motivation	25
	5.3 Employee Well-Being and Satisfaction	25
6	Process Management	85
	6.1 Value Creation Process	50
	6.2 Support Processes	35
7	Business Results	450
	7.1 Customer-Focused Results	75
	7.2 Product and Service Results	75
	7.3 Financial and Market Results	75
	7.4 Human Resource Results	75
	7.5 Organizational Effectiveness Results	75
	7.6 Governance and Social Responsibility Results	75
	Total Points	1000

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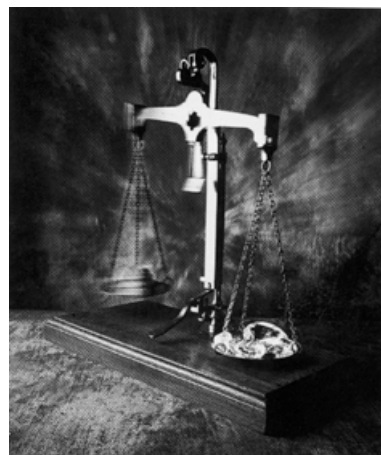
3.5 The Strategy Development and Deployment



3.6 Balanced Scorecard Model_(D)

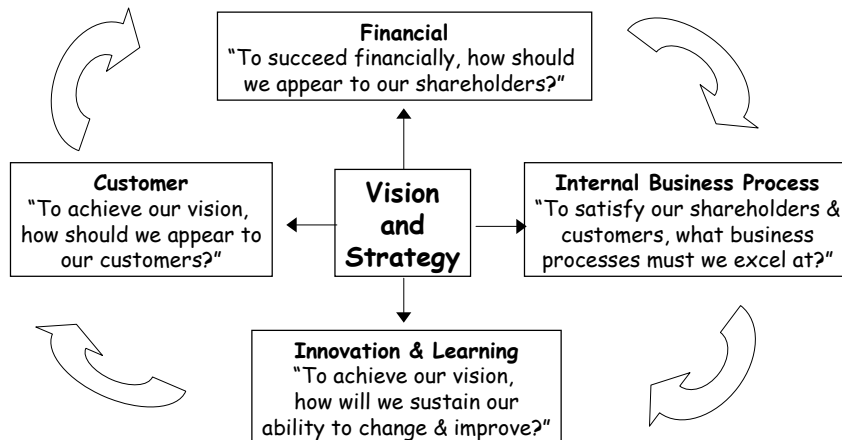
A Balanced Scorecard...

A management instrument that translates an organization's mission, vision, strategy, and business direction into a comprehensive set of performance measures to provide a framework for management decision making. The scorecard measures organizational performance across several perspectives.



Balanced Scorecard Perspectives^(D)

The Balanced Scorecard Model* provides a holistic approach to performance measurement by supplementing the traditional financial measures with three additional perspectives: customer, internal business process, & innovation and learning:



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* Source: Robert S. Kaplan and David P. Norton, "Using the Balanced Scorecard as a Strategic Management System," Harvard Business Review (January-February 1996)*

A Good Balanced Scorecard^(D)

Criteria for a Good Balanced Scorecard



A Good Balanced Scorecard translates the corporate strategy into a simple, focused set of measures which communicates the meaning of the strategy to the organization.

- **Linked to Business Value**
Every measure selected can ultimately be related to business value
- **Cause and Effect Relationships**
Every measure selected should be a part of a chain of cause and effect that represent the strategy
- **Leading and Lagging Indicators**
A balance of performance drivers and results measures

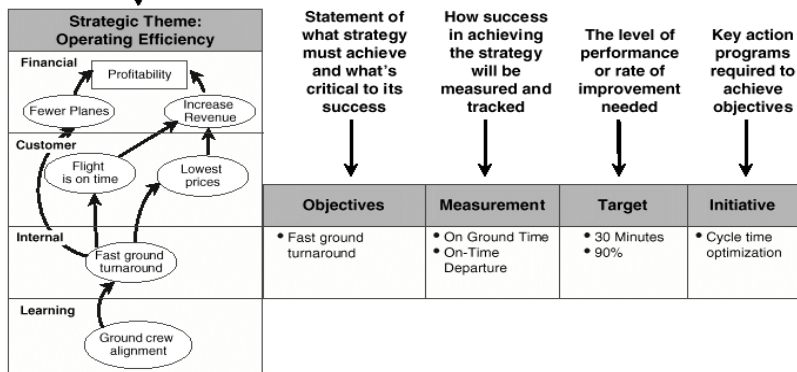
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Theme Example From Southwest Airlines' Balanced Scorecard

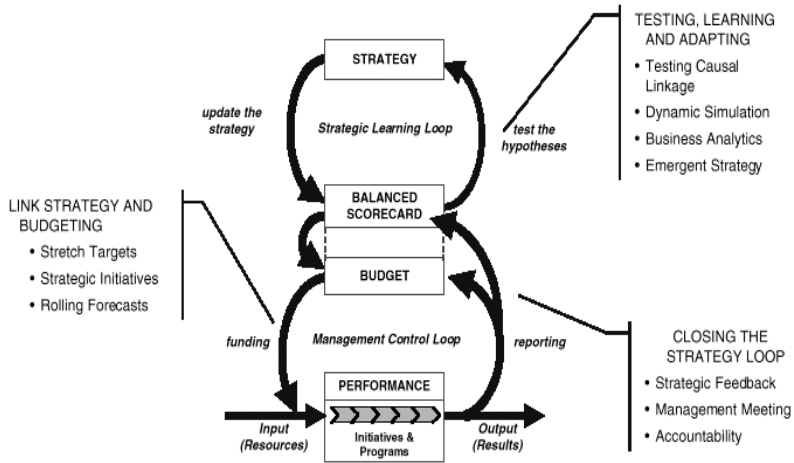
Strategy Map: Diagram of the cause-and-effect relationships between strategic objectives



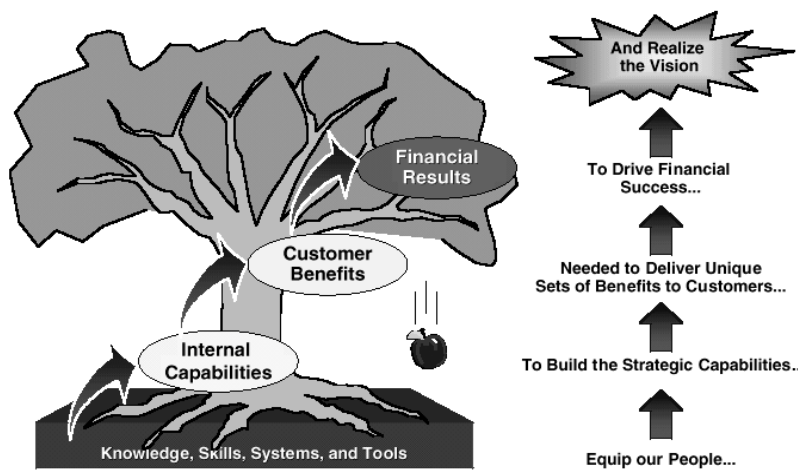
Example: Southwest Airlines Balanced Scorecard

Strategic Theme: Operating Efficiency	Objectives	Measurement	Target	Initiative
<p>Financial</p> <p>Profitability</p> <p>Lower costs</p> <p>Increased Revenue</p>	<ul style="list-style-type: none"> Profitability More Customers Fewer planes 	<ul style="list-style-type: none"> Market Value Seat Revenue Plane Lease Cost 	<ul style="list-style-type: none"> 30% CAGR 20% CAGR 5% CAGR 	
<p>Customer</p> <p>Flight is on Time</p> <p>Lowest Prices</p>	<ul style="list-style-type: none"> Flight is on-time Lowest prices 	<ul style="list-style-type: none"> FAA On Time Arrival Rating Customer Ranking (Market Survey) 	<ul style="list-style-type: none"> #1 #1 	<ul style="list-style-type: none"> Quality management Customer loyalty program
<p>Internal</p> <p>Fast Ground Turnaround</p>	<ul style="list-style-type: none"> Fast ground turnaround 	<ul style="list-style-type: none"> On Ground Time On-Time Departure 	<ul style="list-style-type: none"> 30 Minutes 90% 	<ul style="list-style-type: none"> Cycle time optimization program
<p>Learning</p> <p>Ground Crew Alignment</p>	<ul style="list-style-type: none"> Ground crew alignment 	<ul style="list-style-type: none"> % Ground crew stockholders % Ground crew trained 	<ul style="list-style-type: none"> yr. 1 70% yr. 3 90% yr. 5 100% 	<ul style="list-style-type: none"> ESOP Ground crew training

Making Strategy a Continual Process^(D)



Using Scorecard to Articulate Strategic Themes in Cause-and-Effect Terms



" We Think Globally, Act Locally "

Thanks...